

# PRESIDENT'S EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is made by and between the University of Vermont and State Agricultural College ("University") by and through its Board of Trustees ("Board"), and Suresh V. Garimella.

## I. EMPLOYMENT

Pursuant to the appointment authorization resolution of the Board, and by means of this Agreement, the University hereby employs the President effective July 1, 2019. The President shall serve as the University's chief executive officer, with responsibilities as generally described in the University Charter, Bylaws, and *University Manual*, and as otherwise reasonably requested by the Board. The President hereby accepts this employment ("service").

## II. DEVOTE BEST EFFORTS

The President agrees to devote his best efforts to the effective execution of his responsibilities as President, and to serve faithfully, industriously, and with maximum application of experience, ability, and talent. The service will be full-time and comprise his exclusive employment. Any other professional or business activities in which the President engages must be consistent, and not interfere, with his performance of services under this Agreement. Such activities are subject to written disclosure to, and the prior written approval of, the Board Chair, as well as any applicable laws and University policies governing conflicts of commitment and interest. In addition, the President shall not be eligible for, nor shall he receive, salary or any other type of compensation from a third party (exclusive of standard University benefits) without the prior authorization of the Board of Trustees.

## III. PERFORMANCE

It is the policy of the Board to review the performance of the President no less than once annually. In addition, the Board will conduct a comprehensive presidential performance review within a minimum of a three-year and maximum of a five-year time period. These performance evaluations will be undertaken consistently with, and pursuant to, the University's Presidential Performance Review Policy.

## IV. BASE SALARY AND BENEFITS

The President's base salary for FY20 shall be \$480,000, subject to deductions for all applicable tax withholdings and his share of applicable benefits contributions. The President is entitled to participate in all benefits programs otherwise available to University officers of administration in accordance with plan terms and governing law. The University will make its otherwise standard contribution to the President's retirement account, and the President may, at his election, make additional contributions to his retirement account(s) to the maximum allowable by law. All

decisions relative to presidential compensation shall be made consistently with the University's Presidential Compensation Policy and Guidelines.

#### V. ADDITIONAL BENEFITS

The University shall establish and maintain for the benefit of the President a deferred compensation arrangement on the terms and conditions set forth in Attachment A, which is hereby incorporated by reference. The University also shall contribute one-hundred thousand dollars (\$100,000) annually as an employer contribution to a 415(m) Plan sponsored by the University, so long as the President has met all eligibility criteria as set by IRC §415. The employer contribution shall be made by June 30 (the "vesting date") each year, provided the President remained continuously employed under this Agreement through the vesting date. The University does not currently sponsor a 415(m) Plan and intends to establish such plan by June 30, 2020.

#### VI. FACULTY APPOINTMENT

The University and President understand and agree that the President's acceptance of employment under this Agreement is contingent on his receiving a tenured appointment at a full professor faculty rank in the College of Engineering and Mathematical Sciences. All necessary University approvals have been obtained. Once this employment agreement is fully executed, a separate faculty appointment letter will be sent. Any tenured appointment awarded under this paragraph shall constitute a secondary appointment, and the President will be eligible to assume the responsibilities and the salary associated with such appointment only following completion of his service as President and assumption of the faculty appointment, following the transitional leave for which Section IX provides.

#### VII. PRESIDENT'S OFFICIAL RESIDENCE

To perform his duties most effectively, the President is required, as a condition of his employment, to live in the official presidential residence, Englesby House. The terms and conditions of the use of the residence are set forth in the University Operating Procedure: The President's Official Residence.

The Board recognizes that the President will perform official University duties in his official residence. The University thus hereby agrees to furnish an office at the President's official residence with customary office furnishings and equipment, including a personal computer, printer, wireless internet service, secure filing cabinets, a desk, desk chair, and the like. Such furnishings and equipment shall remain University property.

The parties acknowledge and agree that, to carry out various duties and responsibilities of the President of the University, the President shall from time to time entertain visiting dignitaries and community leaders, hold receptions, meetings, and fundraising events, and otherwise host a variety of events for purposes benefitting the University. In such instances, cooking, catering, and/or housekeeping services shall be provided and/or paid for by the University and/or The University of Vermont Foundation, Inc.



The University shall, at its own expense, procure property insurance covering the University property described in this Section VII, including University-owned personal property, against risk of direct physical loss, and general liability insurance with limits of not less than \$1,000,000 per occurrence for third party claims of bodily injury or property damage arising out of the business use of the premises. The President shall maintain at his own expense insurance to insure his personal property and personal liabilities arising out of his private use of the premises. Any furnishings, art work, appliances, and/or equipment loaned to the President for use at his official residence shall remain the property of the University.

## VIII. MISCELLANEOUS PROVISIONS

### A. Vehicle

The President shall be financially responsible for his own vehicle(s). He shall be reimbursed for mileage expenses incurred for business use in accordance with University policy and tax law. The President shall secure and maintain personal automobile insurance covering collision and comprehensive damages as well as liability insurance with limits of not less than \$1,000,000, each accident, and \$1,000,000 uninsured motorists' liability, each accident. The University will maintain commercial automobile insurance in an amount of not less than \$2,000,000 per occurrence, combined single limit, including uninsured motorists' liability, insuring the University and the President for the President's use of the vehicle in connection with University business, which will respond as excess liability insurance coverage over the President's Personal Auto Policy. The President and his spouse shall be insureds under the latter policy.

### B. Revisions to Insurance Requirements

All insurance specifications set forth in this Agreement may be revised in the reasonable discretion of the Vice President for Finance or his designee, with no less than thirty (30) days' written advance notice to the President.

### C. Professional Dues and Meetings

The University shall cover reasonable costs that the President incurs to attend educational conferences, conventions, courses, seminars and other similar professional development opportunities, including fees for membership in professional organization. In conjunction with his annual performance review, the President shall identify the professional opportunities, including memberships, in which he has participated over the course of the preceding year.

### D. Business and Travel Expenses

Business and travel expenses shall be covered or reimbursed in accordance with University policies.

#### E. Defense and Indemnification

The University shall provide defense and indemnification to the President pursuant to University policies applicable to officers of administration and governing law.

### IX. EMPLOYMENT TERMINATION

#### A. Resignation

Unless otherwise agreed by the Board Chair in consultation with the Board, and subject to any extenuating circumstances not within the reasonable control of the President, the President agrees to provide the Board Chair with written notice of his resignation at least six months before its effective date. The President shall not be eligible for severance in connection with a voluntary resignation from the presidency. If, however, the President holds a secondary faculty appointment at the University and wishes to assume the faculty appointment, he shall be entitled to a six-month transitional leave of absence paid at the rate of his presidential salary as of the effective date of resignation beginning the day after the effective date of termination of his presidential appointment if he has served as President up to three years. If the President has served as President for more than three years at the time of his resignation and if he holds a secondary faculty appointment at the University and wishes to assume the faculty appointment, he shall instead be entitled to a twelve-month transitional leave of absence paid at the rate of his presidential salary as of the effective date of resignation beginning the day after the effective date of termination of his presidential appointment. The twelve-month transitional leave for presidential service in excess of three years is not in addition to the six-month transitional leave described above. The transitional leave will terminate immediately if the President accepts other employment.

#### B. Termination without Cause

Under the University Bylaws, the President serves without term, at the pleasure of the Board, and his service may be terminated at any time in the Board's sole and complete discretion. In the absence of extenuating circumstances as reasonably determined by the Board, the Board agrees to provide the President at least ninety (90) days' notice of termination.

As of the effective date of termination, the President shall be entitled to a six-month transitional leave of absence paid at the rate of his presidential salary as of the effective date of resignation beginning the day after the effective date of termination of his presidential appointment if he has served as President for up to three years. If the President has served as President for more than three years as of the effective date of termination, the President shall be entitled instead to a twelve-month transitional leave of absence paid at the rate of his presidential salary as of the effective date of termination of his presidential appointment. The twelve-month transitional leave for presidential service in excess of three years is not in addition to the six-month transitional leave described above.

If the transitional leave of absence obligation described in the preceding paragraph arises, and if the President elects not to assume his faculty appointment, the University shall pay its applicable obligation on a monthly basis during the relevant time period. This obligation, however, shall be



subject to the President's herein-agreed duty to mitigate the University's obligation by making reasonable and diligent efforts to obtain new employment commensurate with the President's training and experience. If the President obtains such new employment, the University's obligation to make monthly payments of liquidated damages under this Agreement shall be reduced by the amount of the President's new monthly base salary compensation for the remaining months of the University's obligation under the severance provision.

In no case shall the University be liable for the loss of any collateral business opportunities or any other benefits, perquisites, or income from any sources that may be lost as a result of the University's termination of this Agreement without cause.

The parties have bargained for and agreed to the foregoing severance provision, giving consideration to the fact that termination of this Agreement by the University without cause may cause loss to the President, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such severance by the University and acceptance thereof by the President shall constitute adequate and reasonable compensation to the President for any damages and injury suffered.

#### C. Termination for Cause

The University may terminate the President's employment for "just cause." Just cause shall be defined with reference to the *University Manual* provisions applicable to officers of administration, *i.e.*, "serious nonfeasance or malfeasance, including without limitation violations of University policy or law relevant to fitness as an Officer of Administration, gross insubordination, falsification of records, or grossly negligent acts or omissions in the performance of duties."

The Chair of the Board shall promptly advise the President in writing of the grounds for any proposed termination for cause and the alleged bases therefor. Following consultation with the Board, the Chair also may place the President on a paid leave of absence pending resolution of the matter. A termination for cause decision shall be made by the Board as a whole, during whose deliberations the President shall be given an opportunity to respond to, and defend against, the charge(s).

#### X. TAX LIABILITIES; AGREEMENT TERMS AND CONDITIONS

The President shall be personally responsible for any individual income tax or other tax liability attributable to him by law as a result of the salary, benefits, compensation, services, expense reimbursements, or other remuneration or consideration for which this Agreement provides. The President acknowledges that he has had opportunity to consult with a qualified tax or legal advisor regarding all provisions of this Agreement, including without limitation those provisions that have, or may have, tax implications.

#### XI. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding and agreement between the University and the President regarding his service, and supersedes all prior or contemporaneous understandings or agreements, written or oral, concerning its subject matter. This Agreement cannot be modified except by written agreement of both parties and approved in advance by the Board.

#### XII. SEVERABILITY

The terms of this Agreement are severable such that if any term or provision is determined to be illegal, void, or unenforceable, the remainder of the Agreement shall be valid and enforceable.

#### XIII. EFFECTIVE DATE

The effective date of this Agreement shall be the date upon which it has been executed by the second of the two parties hereto.

#### XIV. VERMONT LAW

This Agreement shall be interpreted in accordance with Vermont law. Vermont shall be the forum in the event of a dispute or claim arising out of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

**UNIVERSITY:**

By

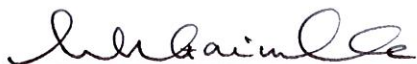


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David Daigle  
Chair, University Board of Trustees

Date: February 22, 2019

**PRESIDENT:**



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Suresh V. Garimella

Date: February 22, 2019